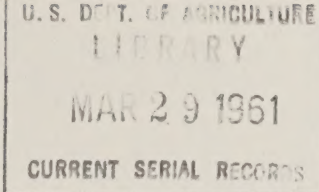


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FOR RELEASE  
SEPT. 26, A. M.

# The AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U. S. D. A.

WASHINGTON, D. C.



AOD-69 SEPTEMBER 1960

Improving crop prospects practically assure a new record in farm output this year.

Production outlook for feed grains and oil crops improved substantially in the last month. Hay and forage, cotton and tobacco also increased. Yields per acre are running generally high with sorghum grain, peanuts and tobacco setting new records. For the 28 leading crops, yields now average 40% above 1947-49, 4% above 1959, and only 2% below the 1958 record. Total crop output will be about 1½% above the high established in 1958 and 1959.

Output of livestock and products is running just a shade under the 1959 peak. Declines for hogs and eggs are lowering the total, despite increases for cattle, milk and poultry.

Big production will keep marketings high for at least the next 12 months. Through the first 8 months of this year, farm marketings have exceeded the same period of 1959 by 3%. Increased sales brought slightly higher cash receipts than last year, even though prices averaged a little lower.

CATTLE. Prices of well finished cattle this fall are expected to hold near current levels. Number marketed is likely to be a little above last fall.

Prospects for average returns from cattle feeding in the coming season are fairly good. Prices of fed cattle are now below a year earlier by less than feeders. While prices for cattle off grass will go down this fall as marketings pick up, continued strong demand for feeders will moderate the decline.

HOGS. Increased hog production is planned by producers in 10 Corn Belt States. They report that 3% more sows were bred and intended for farrowing in September-November than a year earlier. But total farrowings for 1960 fall season will be down 3% because of 7% reduction in June-August. For December-February...first half of the coming spring season...Corn Belt producers intend a 4% increase in number of sows farrowing. Last year, these 10 States produced nearly ¾ of nation's pigs.

This report reinforces prospect that hog production will turn upward next year, possibly in the spring. If this occurs, current downswing in production will be shortest of record.

This fall, hog prices will decline seasonally but stay above last year. The low is likely to come late in the year, reflecting the reversal last spring of the trend toward earlier farrowings.

DAIRY. The situation continues generally stable. Production of milk is running a shade above a year earlier...prices to farmers have been averaging about 1% higher. Consumption of milk products per person is down a little. Butter and cheese sold to CCC for price support this year are equivalent to about the same amount of milk as last year, but the volume of nonfat dry milk is larger.

EGGS. Prices the last month have been running above last year and are likely to continue higher through 1960. Production has slipped below a year earlier...is likely to stay lower because 15% fewer replacements were raised this year than in 1959.



**BROILERS.** Prices may ease lower in the remaining months of the year. Demand is slackening seasonally and the number of broilers now growing is 5% larger than last fall.

**TURKEYS.** Slaughter in October and November is likely to about equal a year earlier. This year's crop equals the 1959 record of 82 million head. But tonnage of meat produced is greater because of a higher proportion of heavy breed turkeys. Most of the increase will have been marketed by October.

**SOYBEANS.** Supply for 1960-61 will be close to the level of last two years. Prospective crop is up 5%...about enough to offset reduction in stocks. Crushings and exports are expected to continue high. While farm prices probably will decline at harvest time, the outlook indicates a fairly good seasonal rise later.

**FEED GRAIN.** A record supply for 1960-61 is probable. Production is forecast about 2% less than last year's record, but higher stocks will push total supply to a new peak.

Domestic use of feed grains has jumped nearly 30% the last 5 years. Exports have increased sharply. But disappearance still has not caught up with production. Prospects are for another increase in stocks by October 1, 1961.

**WHEAT.** Supplies for 1960-61 exceed last season's record by a quarter billion bushels. The crop of 1,368 million bushels is 240 million more than last year's and the carryover of 1,313 million is up 18 million. About 610 million bushels are likely to be used in the U. S. If exports reach 525 million...slightly more than last year's total...the carryover next July 1 will be about 1,550 million bushels. This would be 88 million bushels more than the largest crop ever produced in this country.

**FRUIT.** Supplies of most fruits for early fall fresh markets are lighter than last year and prices probably will be higher. Output of apples, pears and grapes is down from 1959...the peach crop is up slightly and the cranberry crop a record. Total production of deciduous fruits this year is expected to be 7% below 1959 but 3% above average.

Hurricane Donna dealt heavy damage to Florida grapefruit. Early reports indicate a possible loss of 25% to 35% of the State's crop, with seedless varieties hardest hit. Orange and tangerine losses may run from 5% to 10%.

**PROCESSED VEGETABLES.** Moderately smaller supplies of canned vegetables, about the same or slightly more frozen vegetables is the prospect for 1960-61. Carryovers of both canned and frozen products were somewhat smaller than last year, but production is expected to be slightly larger. Prices this fall at both packer and retail levels are expected to average above last fall.

**COTTON.** The supply for 1960-61 is expected to be about 22.2 million running bales, 1.4 million less than last year. Most of the decline is in the carryover...production is nearly equal to last year.

**TOBACCO.** Output of the most products in the first half of 1960 topped year earlier levels...cigarettes 6.8%, cigars and cigarillos and snuff 5½%, and smoking tobacco 2%. Chewing tobacco showed the only decline...3½%.

Exports of unmanufactured tobacco in January-July fell 6½% below a year earlier. They will pick up seasonally the next few months as shipments from the new flue-cured crop move out.